




**Request for City Council Committee Action**  
**From the Department of Community Planning & Economic Development**

**Date:** June 21, 2005

**To:** Council Member Lisa Goodman, Community Development Cmte  
Council Member Barbara Johnson, Ways & Means/Budget Cmte

**Prepared by:** Donna Wiemann, Principal Project Coordinator, 612-673-5257

**Presenter in  
Committee:** Donna Wiemann

**Approved by:** Elizabeth Ryan, Director, Housing Policy and Development 

**Subject:** Fiscal Year 2005 HOME Program Budget

**RECOMMENDATION:** Approve the Fiscal Year 2005 HOME Program budget

**Previous Directives:** On April 1, 2005, the City Council approved the 2005 Consolidated Plan and authorized staff to submit the plan to HUD. The plan includes the Fiscal Year 2005 HOME Program funding.

**Financial Impact** (Check those that apply)

- ☐ No financial impact - or - Action is within current department budget.  
(If checked, go directly to next box)
- ☐ Action requires an appropriation increase to the Capital Budget
- ☐ Action requires an appropriation increase to the Operating Budget
- ☐ Action provides increased revenue for appropriation increase
- ☐ Action requires use of contingency or reserves
- ☒ Other financial impact (Explain): Increases grant revenue.
- ☐ Request provided to the Budget Office when provided to the Committee Coordinator

**Community Impact** (Summarize below)

**Ward:** All wards.

**Neighborhood Notification:** The Consolidated Plan was made public on March 14, 2005. It was mailed to the Consolidated Plan mailing list and it was made available on the City's website.

**City Goals:** Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs, and promotes future growth.

**Comprehensive Plan:** 4.91 – Minneapolis will grow by increasing its supply of housing. 4.15 – Minneapolis will identify project sites where housing redevelopment and/or housing revitalization are the appropriate responses to neighborhood conditions and market demands.

**Zoning Code:** Projects selected for HOME Program funding will comply.

**Living Wage/Job Linkage:** NA

### **Background/Supporting Information**

In April, 2005, the City Council approved the staff recommendation to submit the Year 2005 Consolidated Plan to HUD; the plan includes the Fiscal Year 2005 HOME Program funds. Staff expects HUD to approve the 2005 Consolidated Plan prior to July 1, 2005. The total HOME Program funds allocated to the City for Fiscal Year 2005 is \$3,779,193. The Fiscal Year runs from June 1, 2005 to May 31, 2006.

The HOME Program funds will be used for programs and activities that will assist in the production and maintenance of decent affordable rental and ownership housing. Ten (10%) of the HOME Program funds will be used for administrative purposes. The proposed allocation of FY 2005 HOME Program funds is as follows and is consistent with the approved 2005 budget:

Affordable Housing Trust Fund (rental)	\$2,826,274
Home Ownership Works	\$ 575,000
CPED Admin	\$ 362,919
Grants & Special Projects Admin	\$ <u>15,000</u>
TOTAL	\$3,779,193

Funds allocated to the Affordable Housing Trust Fund (AHTF) will be used to provide gap financing for the production and stabilization of affordable rental housing. On average, approximately 200 to 250 units are either produced or stabilized through the AHTF annually. The City Council approves the funding of each project.

Funds allocated to the Home Ownership Works (HOW) will be used either for the renovation or new construction and sale of 10 to 20 single family dwellings. It is designed to address the goal of providing home ownership opportunities for low to moderate first time homebuyers who would otherwise have difficulty in attaining home ownership. It is also designed to address the problem of abandoned and foreclosed housing. In addition to rehabilitation of existing homes, the program will be used to treat properties in need of demolition and new construction.